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Updated Version (27 Aug 87)

Memorandum of Understanding

I. Purpose

The purpose of this memorandum is to formalize existing understandings between the Office of Personnel Management (OPM) and the Central Intelligence Agency (CIA) regarding administration of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS) as these systems apply to employees of the CIA.

II. Background

The FERS Act of 1986 contained provisions designed to improve security protection afforded CIA employee identities, intelligence sources, methods and activities.

These provisions amended Title 5, United States Code through addition of a new subsection 8347(n) and a new section 8461 applicable respectively to the administration of the CSRS and FERS. Specifically, these amendments provided that the Director of Central Intelligence (DCI) may, in a manner consistent with the administration of CSRS and FERS by OPM and to the extent that the DCI considers appropriate, administer CSRS and FERS provisions, including authorization of disbursements from the Civil Service Retirement and Disability (CSRD) Fund, as applicable to CIA employees.

To the extent that the DCI does not exercise his authority to assume the functions and duties of OPM with respect to employees of the CIA, OPM will continue to perform such functions and duties for CIA personnel.

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(2) Functions and Services to be performed by OPM

OPM acknowledges that it will:

(a) Furnish such information and, on a reimbursable basis, such services as the CIA requests to carry out those functions and duties determined by the DCI as appropriate to be performed under his authority. Perform actuarial services for the CIA based upon data provided by the CIA.

(b) Provide, upon request of the CIA, any retained prior Federal service records and related documents applicable to CIA employees.

(c) Conduct such inspections and audits of disbursements from the CSRD Fund as are authorized by law. Such inspections and audits will be in accord with CIA security procedures and standards prescribed for such inspections and audits.

(d) Effect the disbursement of monies from the CSRD Fund to the CIA in reimbursement of expenditures, properly chargeable to the CSRD Fund, incurred by the Agency under the DCI's authority.

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III. Scope of Arrangement between CIA and OPM

1. Functions and duties to be assumed by the CIA

(a) This memorandum reaffirms the current understanding between CIA and OPM that the DCI has elected to exercise his authority, effective 1 January 1987, to administer all CSRS and FERS provisions and related functions and duties as they apply to CIA employees and those annuity beneficiaries becoming eligible for such benefit payments on and after 1 January 1987.

(b) CIA's CSRS and FERS regulations, developed through consultation with and reviewed by OPM, specify the primary policies, authorities, responsibilities, and general procedures for the administration of CSRS and FERS functions applicable to employees and annuitant beneficiaries of the Central Intelligence Agency.

(c) CIA will consult with OPM should circumstances require substantial revisions of CIA's CSRS and FERS regulations and/or procedures.

(d) In the event that the DCI determines that it is no longer appropriate to exercise his authority as regards specific CSRS and FERS functions and duties, OPM will be provided sufficient advance notice of such action so as to provide adequate time to assume responsibility for such functions and duties.

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IV. Establishment of Inter-Agency Implementation Procedures

1. Operating agreements and procedures developed jointly between CIA and OPM officials currently in effect to implement the DCI's administration of CSRS and FERS matters will continue under this Memorandum of Understanding.

The subjects covered by these agreements and procedures include, but are not limited to:

(a) determination of entitlements to benefits;

(b) maintenance of service and retirement records applicable to Agency employees;

(c) computation of benefits based on service;

(d) collection of deposits to the CSRD Fund made by employees, their spouses, and their survivors;

(e) authorization of disbursements from the CSRD Fund;

(f) depositing, transferring, and accounting for CSRD Fund monies

2. Modifications and revisions of existing operating procedures and the establishment of new procedures will be jointly developed by appropriate officials of OPM and CIA as the need arises and to assure the currency and adequacy of such procedures.

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3. Separate Memoranda of Understanding, consistent with the context and scope of this primary Memorandum, may as required, be established to address specific topics of particular significance or complication where more elaboration or clarification is required. A complete unclassified listing of such supplementary memoranda will be filed with the record copies of this Memorandum of Understanding, and updated as necessary. Authority to sign these supplementary memoranda may be delegated to appropriate officials at OPM and CIA.

V. Duration of Memorandum of Understanding

This memorandum will continue in effect until terminated by either Agency giving sufficient advance written notice to the other Agency to such effect.

Approved for the Office of Personnel Management this _____ day of _____ 1987.

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Director, Office of Personnel Management

Approved for the Central Intelligence Agency this _____ day of _____ 1987.

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Director, Central Intelligence Agency

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